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FOR INFORMATION

UNICEF MANAGEMENT STUDY

Executive summary

The present report contains the executive summary of the UNICEF management review, as engaged by the secretariat at the request of the Executive Board in March 1994.

/...

UNICEF MANAGEMENT STUDY

unicef

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New York, NY
December 30, 1994

This report is confidential and intended solely for the use
and information of the client to whom it is addressed.

BOOZ•ALLEN & HAMILTON INC.

This is one of four documents comprising the UNICEF Management Review, as engaged by the Secretariat at the request of the Executive Board in March, 1994.

The project was jointly funded by UNICEF and a pro bono contribution by Booz·Allen & Hamilton.

A progress report was made to the Executive Board on October 3, 1994.

The four final documents include:

- UNICEF Management Study
- Executive Summary
- Management Study Workshops Report
- Delphi Panel Report

Note: This study was conducted by independent outside management consultants. We did not modify either the most lavish compliments or the most blistering criticisms of UNICEF and its leaders, nor were we asked to do so. We believe that UNICEF has had the courage to stand behind both praise and criticism because they believe in the worthiness of their mission, and they want to create a legacy of an even stronger and more effective institution. We hope that in view of this openness, no one will now abuse this confidence.

PURPOSE OF THIS MEMORANDUM: REDUCE 15 CHAPTERS TO 15 PAGES

- The final report of the UNICEF management study, including appendices, numbers some 300 pages

- For certain situations, quick reading, condensed communication are preferable
  - For those situations, this short-form is provided

- For each chapter you will find a one-page summary
  - And for each page, one graphics page is chosen from among the more interesting charts in the chapter, and this is used as a facing page

  - Chapters:

I	Introduction
II	Mission and Emergencies
III	NGOs and Other Agencies
IV	Human Resources
V	Programming
VI	Global Goals
VII	Supply
VIII	Fund Raising
IX	Information and Communication
X	Financial Systems
XI	Information Systems
XII	Structure
XIII	Accountability, Cost Effectiveness
XIV	Governance
XV	Implementation

UNICEF, ALWAYS REGARDED AS A NOBLE CAUSE, HAS REACHED NEW HEIGHTS IN ESTEEM AND PUBLIC REGARD IN THE LAST FEW YEARS

- "My view is that UNICEF is doing a very good job. They have capabilities that are almost impossible to match." Senior Official, UN Relief Agency

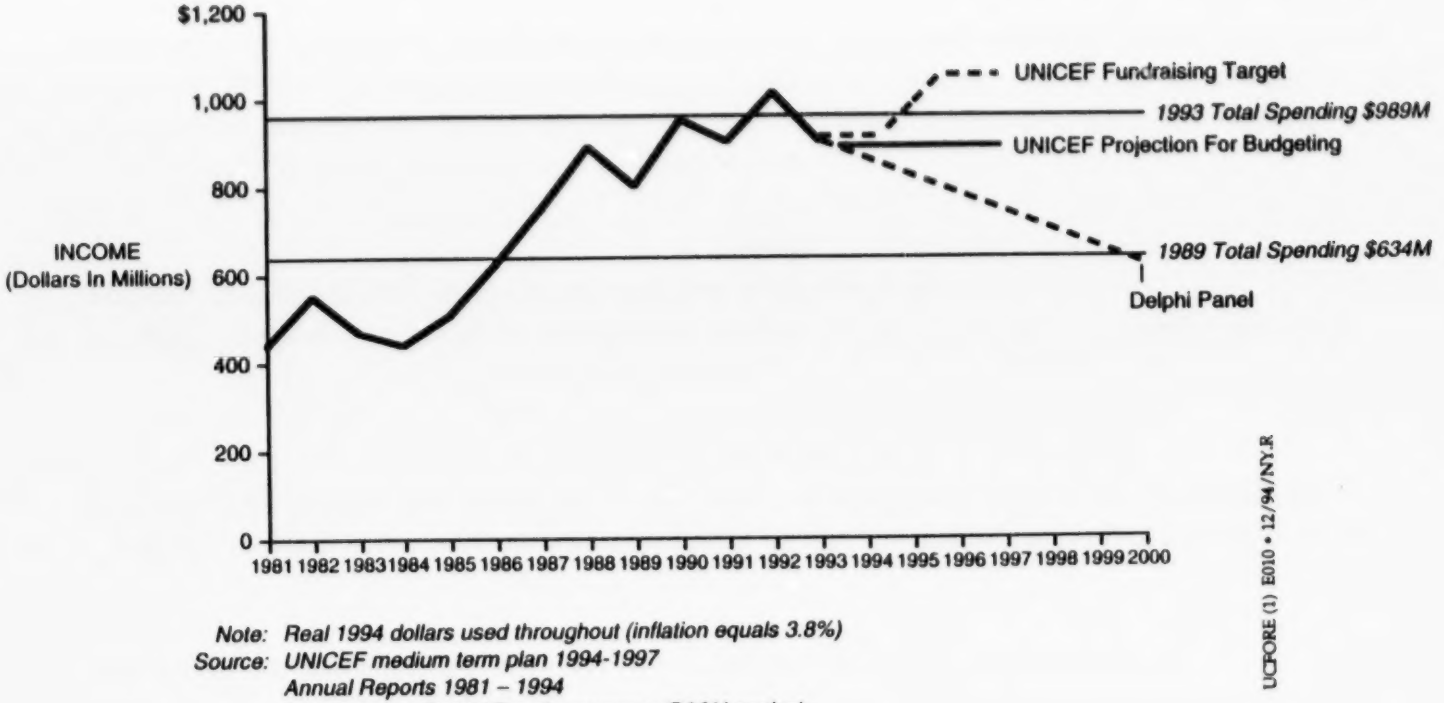
- "UNICEF is filling a precious vacuum and their mission is important. They're doing a damn good job that no one else would be doing if they weren't there. I hope we all recognize that." President, NGO

- "UNICEF is doing a marvelous, highly needed job. In the minds of many people it is the embodiment of humane services for children and childhood." Minister of Education

- "Few other international agencies have had the consistently high performance level of UNICEF. Its unique quality of being able to attract dedicated workers willing to sacrifice personally for children in need should never be lost. Such field oriented pragmatists should be turned loose with support to do their flexible best. There is tremendous need for keeping the motivation level high." Professor, Public Health

TRADITIONAL FUNDING ASSUMPTIONS ARE CHANGING – WHICH THREATENS UNICEF'S ABILITY TO CONTINUE "PROGRAMMING AS USUAL"

FUNDING PROJECTIONS TO 2000



Note: Real 1994 dollars used throughout (inflation equals 3.8%)
Source: UNICEF medium term plan 1994-1997
Annual Reports 1981 – 1994
Interviews --> Delphi Panel responses, BA&H analysis

THE TIMING WAS EXCELLENT FOR A BROAD ANALYSIS OF UNICEF STRENGTHS, WEAKNESSES AND IMPROVEMENT OPPORTUNITIES

- UNICEF can't "rest on its laurels", faced by environmental challenges and operational improvement opportunities
  - Changes in funding, competition, UN reform, skili requirements, emergencies, etc., all indicate policies, organization and processes may have to be revised

- UNICEF Board merits commendation for recognizing these issues, requesting management study
  - Notwithstanding widespread perception that UNICEF is one of the most successful among UN agencies and funds

- Terms of reference sought opportunities for
  - Improved transparency and accountability
  - Better management processes and procedures
  - More effective organization structure
  - More productive interface with UN entities, NGOs
  - Clarification of mission, e.g., emergencies, global goals, etc.

- Study drew on substantial data base
  - 350 interviews
  - 750 survey respondents
  - Detailed business analyses
  - Delphi panel
  - Field trips
  - 3 staff workshops

UNICEF OVERLAPS TOPICALLY WITH OTHER UN AGENCIES, MAKING A UNIQUE POSITION DIFFICULT TO IDENTIFY; SOME ARGUE THAT THE "SPECIALTY" IS FIELD MOBILIZATION

	MAJOR UN AGENCY ACTIVITIES
EMERGENCIES	• DHA • UNHCR • UNDP • WFP • UNICEF (non-food aid including health, water sanitation, education and special support for children, including psychosocial support)
HEALTH/POPULATION	• World Bank • World Health • UN Population Fund • UNICEF (child and maternal health, adolescent sexuality and AIDS prevention and (with UNFPA) family planning
NUTRITION	• Food and Agriculture Organization • International Fund for Agricultural Development • World Food Programme • UNICEF (micro-nutrient support, child nutrition promotion and community mobilization, breastfeeding advocacy) • WHO
WATER/SANITATION	• UNICEF (hardware installation, health education, social mobilization) • UNDP • WHO • World Bank
EDUCATION	• UNESCO • UNICEF (primary education, literacy and early childhood education)
CHILDREN IN ESPECIALLY DIFFICULT CIRCUMSTANCES	• International Labor Organization • Human Rights Commission • UNHCR • UNICEF (street children, orphaned children, children in war)

BOARD AND SECRETARIAT INTERVIEWEES AGREE: TIMELY TO RECONSIDER OVERALL MISSION AND RE-EXAMINE EMERGENCIES WITHIN CONTEXT OF OVERALL MISSION

- Most UNICEF managers agree that the organization is interpreting its mandate in the broadest sense
  - Wide range of functions, objectives, sectors, partners and geographies

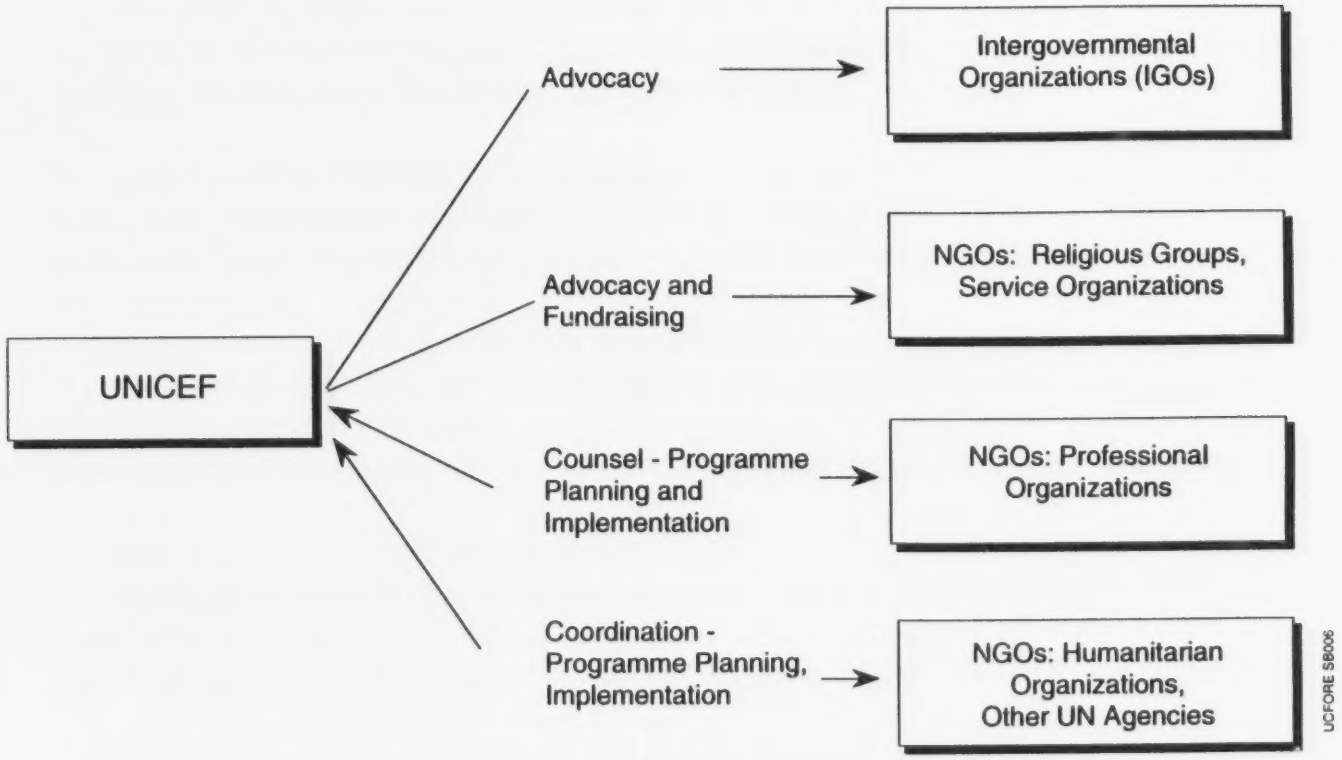
- Clarifying the mission, appropriate in any case, becomes even more imperative in context of UN reform
  - Maintaining standalone identity requires that UNICEF help reformers understand UNICEF's unique capabilities, unique mission

- Booz•Allen concludes that it would be a major loss to UNICEF and UN to consolidate UNICEF into a single UN entity
  - Would abandon the distinctive capabilities and know-how that have produced unusual success among humanitarian development and service organizations

- Emergency policy should derive from new "mission statement". Delineating UNICEF's role in emergencies could be achieved by a number of methods
  - The full report suggests several, from "niche" positioning to a cap on commitment

- UNICEF can take several actions to improve emergency operations
  - Actions are described in the report under these headings: (a) Preparedness, (b) Staffing, (c) Country support, (d) Cost management

UNICEF COOPERATES WITH HUNDREDS OF OTHER ORGANIZATIONS INTERNATIONALLY – COUNTLESS OTHERS ON THE LOCAL LEVEL



WITH MORE TO DO AND FEWER RESOURCES FOR GETTING THE JOB DONE, THIS IS THE RIGHT MOMENT TO GET MORE SERIOUS ABOUT TEAMING UP WITH NGOs

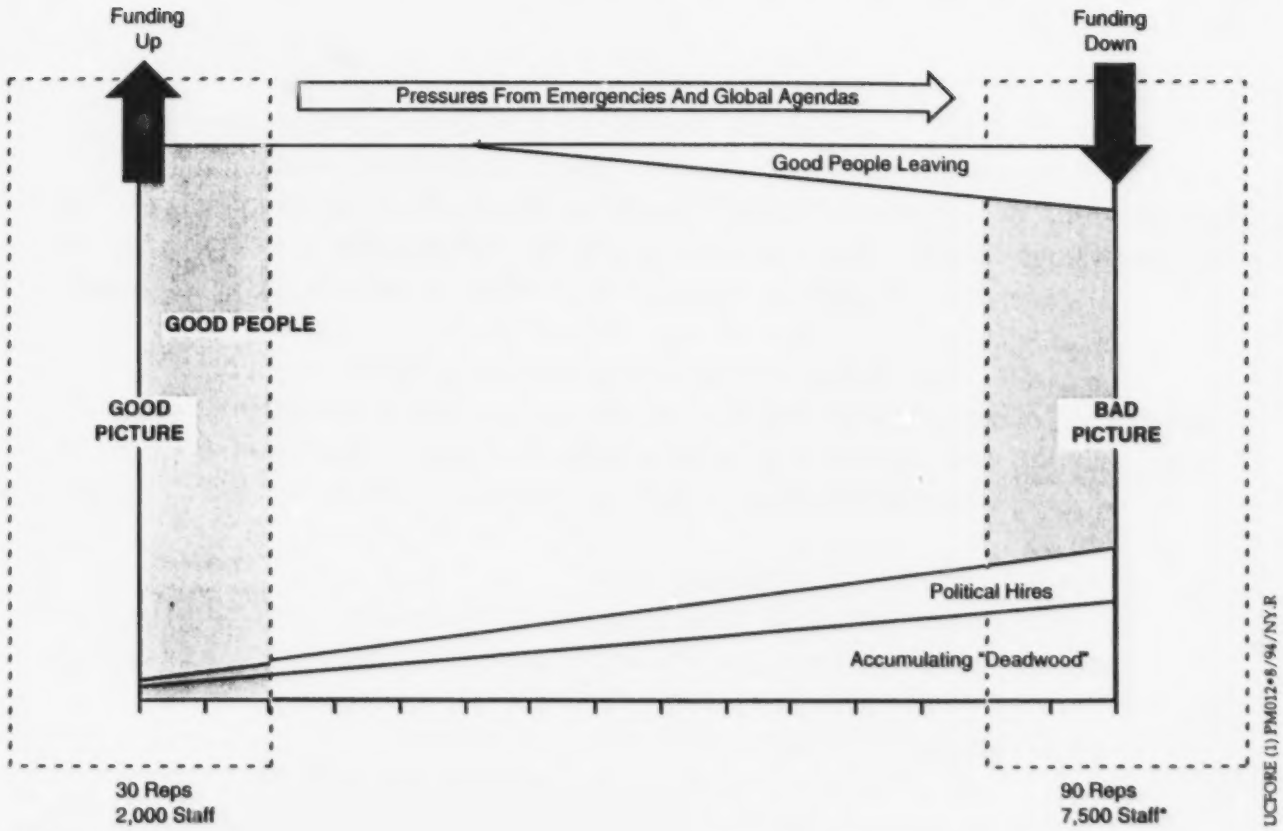
- When NGOs praise UNICEF, they emphasize UNICEF's high profile and ability to get things done.
  - "UNICEF has capable staff, well deployed around the world; is responsive to needs; provides world leadership on children's issues".
    (Top leader, International NGO)

- Criticisms focus on UNICEF's level of commitment to cooperation in the field
  - "UNICEF is the successful sinner, immune to cooperation in the field".
    (Programme Officer, UN agency)

- UNICEF needs to make up for lost time, cultivate this constituency
  - Donors believe they get better "ROI" if UNICEF leverages itself through NGOs
  - "New generation" goals are beyond reach for any agency trying to "go it alone"
  - Downtrend in funding will make new coalitions indispensable

- UNICEF's NGO relations working party called for renewed partnership
  - IMPOSSIBLE depending on "spontaneous combustion" at mid-management level
  - VERY POSSIBLE if leadership provides example at highest level, manages program, puts UNICEF's powerful advocacy skills to work in promoting this new priority
  - NGO Working party recommends detailed action plan

HOW THE TEAM CONCEPTUALIZED WORRISOME TRENDS



* *Official*

Note: Chart from Human Resources staff "workshop," December, 1994

NO "BUSINESS PROCESS" EMERGED FROM THE MANAGEMENT STUDY THAT WAS SO HEATED AN ISSUE AS "HR" AND PERSONNEL PRACTICE

- Widely throughout the organization there is a prevailing attitude of dissatisfaction with "how things work around here."
  - Inescapable that this has bad impact on motivation, performance and judgment

- The issue is not procedural
  - Fixing a few lines on a "PER" form will change nothing. Fundamental is a culture issue: A value system that staff renounce; personnel processes that have lost credibility

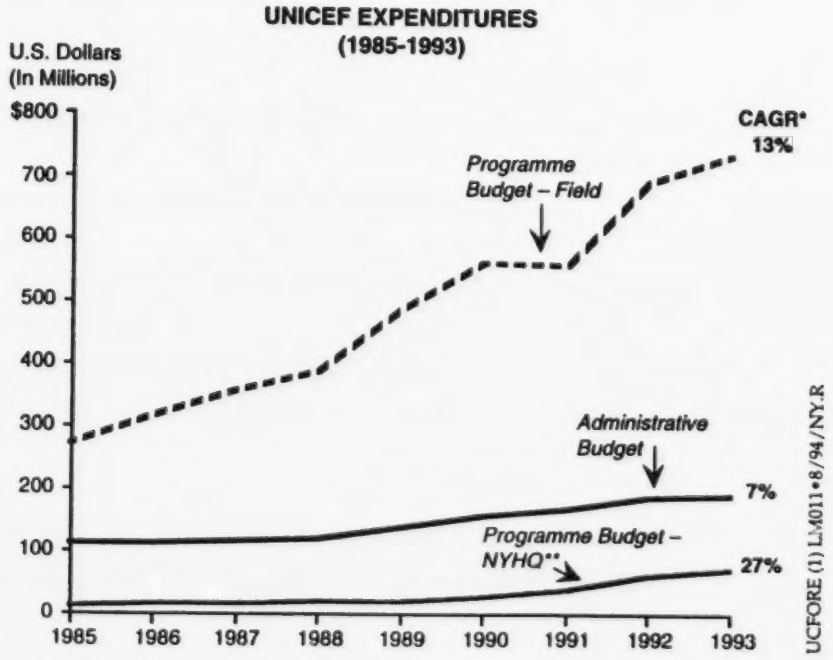
- Culture change is possible in large, complex organizations, but it takes leadership, time and a supportive staff organization that will help produce changes in attitude on the basis of good will and determination to resolve problems
  - A major step forward was taken by 12 staff members from around the world who participated in the HR working party
  - It has been recommended that their recommendations be used in the implementation process in 1995
  - Issues addressed are hiring, career development, rotation, promotion, PERs, training, and many other key HR concerns

- Tough, outspoken commentary from staff survey has already been reviewed with UNICEF leaders. We believe they are going to take action - will need support. Can't change many years of inappropriate practice overnight!

PROGRAMME ACTIVITY IS THE CORE OF UNICEF'S WORK — AND THE PRIMARY DRIVER OF EXPENDITURE

"Add a programme, and add a new network of people. Don't let anyone confuse you. Add a programme, add a team. If you want to understand the cost (and staffing) drivers, dig into the programme division. That's where it's all at."

High-level UNICEF Manager



* CAGR = Compound Annual Growth Rate

** Includes all funds directed from NYHQ including Eastern and Central Europe, global funds, etc. European spending was not isolated prior to 1993

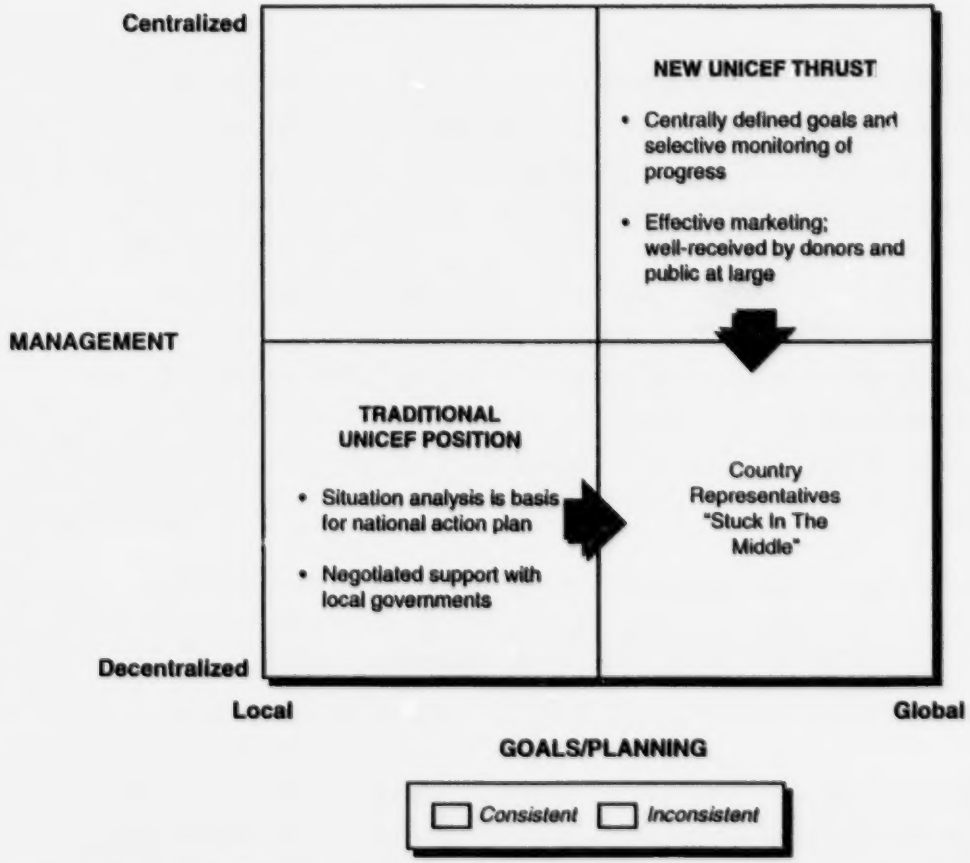
UNICEF'S IMPACT AROUND THE WORLD: NOT POSSIBLE WITHOUT ITS POWERFUL AND EFFECTIVE PROGRAMME CAPABILITY

- Main issues that have come out of the management study have to do with program processes and monitoring, cost effectiveness, and accountability.
  Issues addressed:
  - Cost economics: Cash outlays have overtaken supply assistance
  - Within cash outlays, growing fast are staff costs, travel, research, studies, etc.
  - An analysis is conducted of the time and cost required for today's complex programme planning process - can cost over $1 M per country

- The "new generation" of social goals such as child abuse, child labor, street children, etc., will require new levels of capability in which UNICEF is not now strong
  - Indicates where resources are needed for future expertise
  - Especially important at a moment when NGOs, many others, urge UNICEF to accept role of primary advocate among entities dedicate to children
  - Implies new priority for ICDC or similar resources

- The report takes a fresh look at relationship between Programming, countries, regions
  - Considers ways to make that collaboration more effective: more intense dedication to conceptual "product design" in Programming, more integrated focus on field service delivery within field organization, more negotiation on programs and goals.

GLOBAL GOALS HAVE PROVEN A POWERFUL "MOBILIZING FORCE" FOR UNICEF, BUT THEY REQUIRE IMPROVED HARMONIZATION WITH COUNTRY PLANS



"Success with local goals needs the visibility and the power of the global goals. And obviously global goals wouldn't mean much without strong local programs. The issue is to make them compatible and internally supportive."

– Delphi Panel Member

Notes: 1) Global goals "enforced" with global funds
2) Execution is clearly decentralized

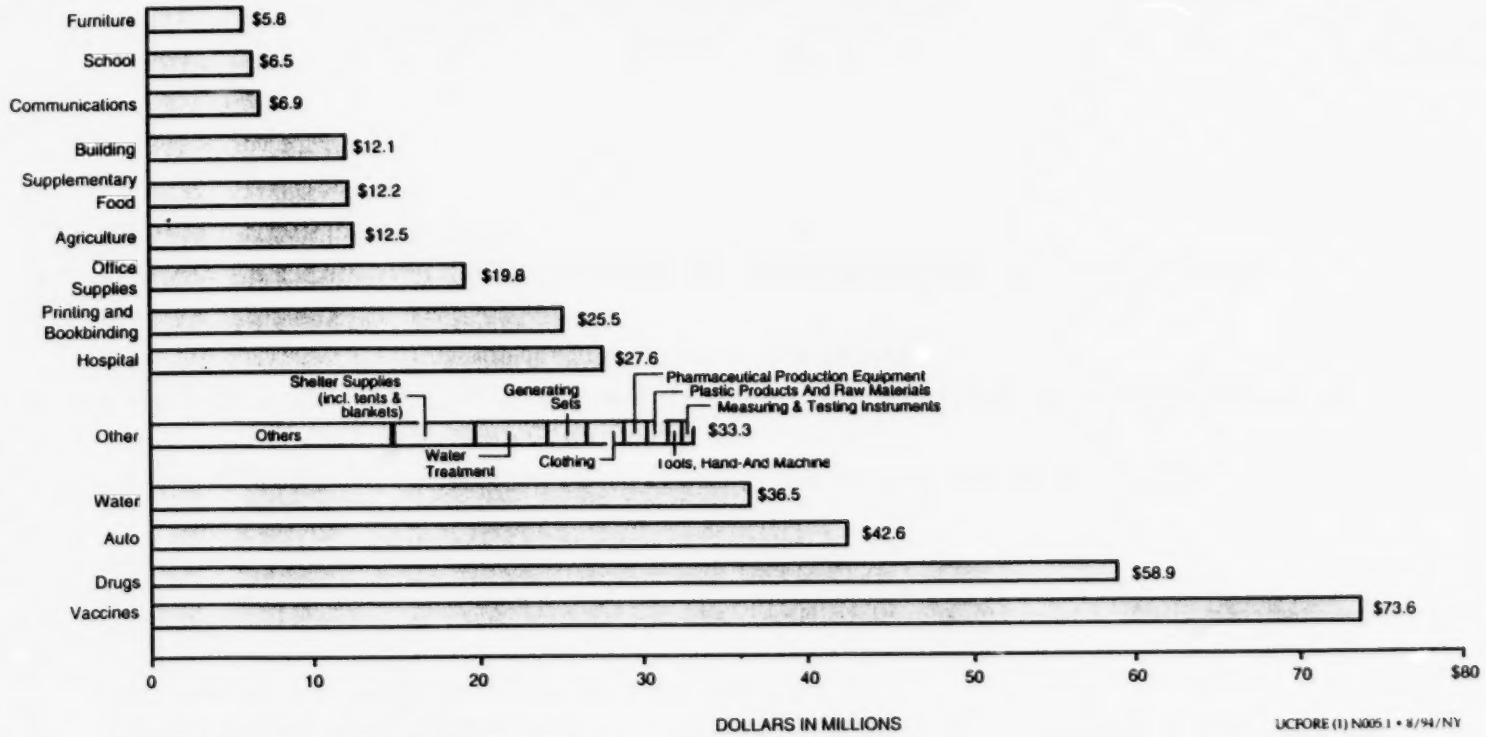
UCPORE (1) 5/8/11+6/94/NY.R

MANY RECOGNIZE THE BENEFITS GLOBAL GOALS HAVE BROUGHT TO THE ORGANIZATION

- At the same time, UNICEF staff and Delphi Panel as well question the highly centralized decision making
- The definition of global goals is done at HQ and in more than a few cases is considered to demonstrate an insensitivity to country realities
- In 1993, nearly $60 million were spent in global funds for realization of global goals; about one-third of this money was allocated to HQ activities
- Field allocations are widely perceived to lack transparency and accountability
- A more harmonized, balanced approach to selecting and setting targets for global goals would benefit UNICEF and help satisfy Board delegations
- In that spirit, the Global Goals workshop laid out an action plan for recommendation and implementation in 1995

UNICEF PURCHASED $374 M OF SUPPLIES IN 1993 – VACCINES, DRUGS AND HEALTH SUPPLIES COMPRISE 43% OF THE DOLLAR TOTAL

SUPPLIES BY CATEGORY OF COMMODITIES



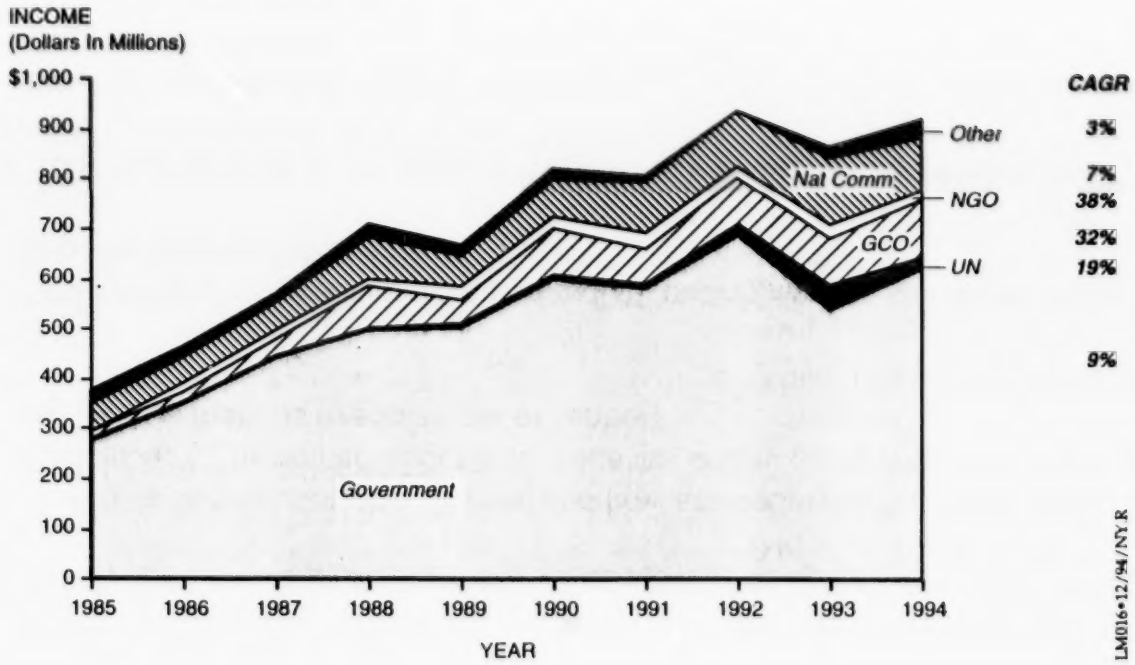
Sources: Supply division Analysis Reports; BA&H analysis

SUPPLY DIVISION, ONCE A "STAR," IS BEING REGARDED WITH INCREASING CONCERN

- Complaints about performance were too frequent to be dismissed as isolated carping
  - "I think UNICEF's organization works rather well. My only complaint might be the Supply Division. They are slow enough on deliveries to encourage do-it-yourself."
    (Head of a major NGO)
  - "Take the Supply operation. Where and how are we buying? Are we getting the best prices? I'm worried about that. I see the quality going down, the prices going up. Why is that? Is overhead out of control?
    (Major Country Representative)
  - Other complaints about lead time on orders, pricing, service standards, thus clear opportunities for improvement
- The study recommends some steps to be taken to improve Supply performance
  - Strategic repositioning
  - Organization change
  - Customer service program
  - Logistics re-engineering
  - Improved information management and processes
- Supply Division leadership has already signaled its support of most recommendations and a desire to proceed with them

OVERALL FUNDING AT UNICEF IS SLOWING, BY COMPARISON WITH THE HIGH-GROWTH 80'S – DELPHI PANEL MEMBERS PREDICT DECLINES ON THE ORDER OF 25% FOR THE COMING YEARS

UNICEF TOTAL INCOME BY SOURCE



Note: Other includes interest income
Source: Compendium of Contributions by Main Donors, 1985-1993
UNICEF Financial Monitoring Report #5-94

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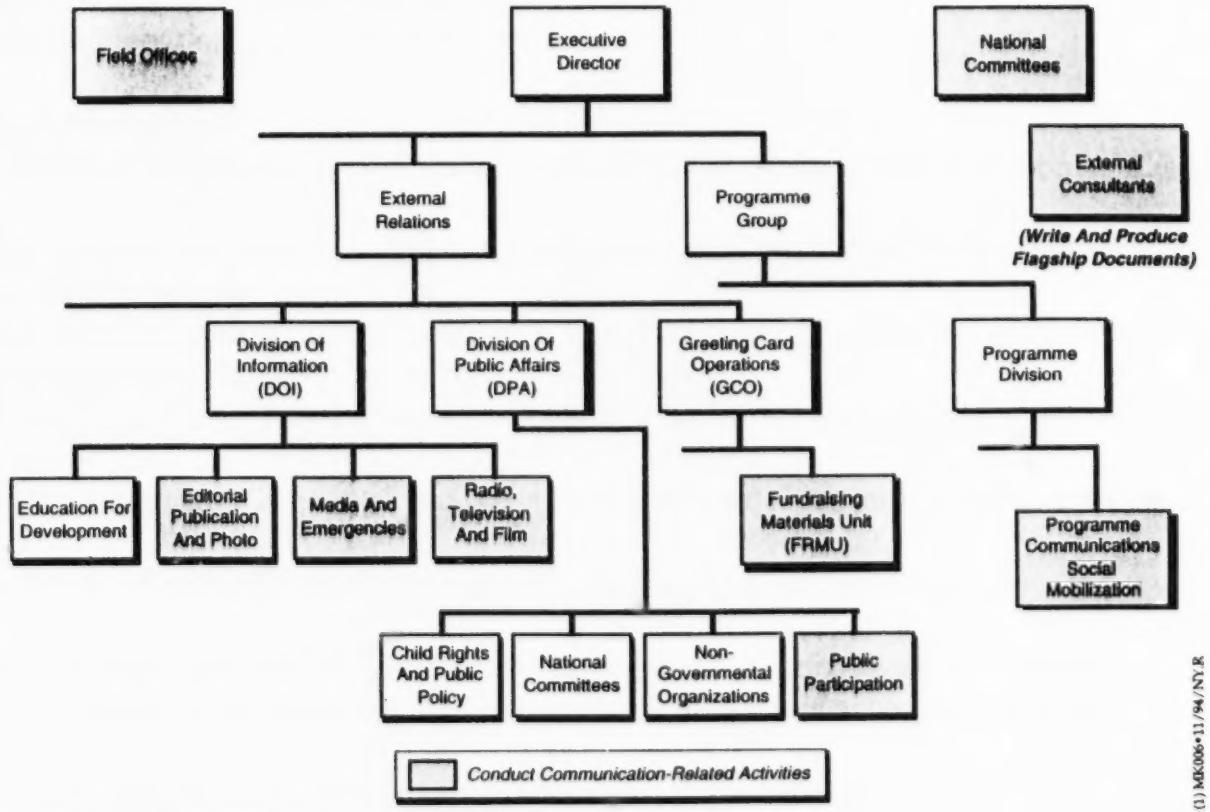
FUNDRAISING HAS ALWAYS BEEN A UNICEF STRENGTH, BUT THERE ARE WAYS TO IMPROVE PRODUCTIVITY

- PFO: Recognize that shift to supplementary donations increases administrative requirements, adding more complexity and more cost to the process
  - Opportunities: clarify roles, improve transparency, make administration systems improvements, manage traffic of "multiple sales calls" by country reps in capitals
- GCO: Separate and strengthen responsibility for greeting cards and PSFR
  - Improve transparency, simplify processes (such as card selection), sharpen marketing focus
  - Get GCO onto "level playing field", competing aggressively with major commercial card companies; plan for new income generating activities
  - Make needed commercial decisions, e.g., selection of key potential market improvements such as in USA, UK
  - Make strategy and structure changes that permit these performance improvements
- PSFR: Evidence indicates that UNICEF operates at a cost disadvantage in comparison with fundraising competitors
  - Make needed moves to improve economics
  - Ensure availability of high-level skills and leadership
  - Bring top management attention and new discipline to NatComm relationship

COMMUNICATION GROUPS AT UNICEF ARE FRAGMENTED, IN 4 DIVISIONS AT HEADQUARTERS AS WELL AS IN THE NATIONAL COMMITTEES AND THE FIELD



Note: External Relations groups are primarily based in New York, but include some Geneva-based staff as well

INFORMATION, HIGHLY IMPORTANT TO ANY FUNDRAISER, IS FRAGMENTED IN TERMS OF ACCCOUNTABILITY, FAIR-TO-GOOD IN TERMS OF RESULTS

- UNICEF employs around 400 people and spends more than $25 million a year to reach its many audiences
  - Half of this spent in regions and countries

- Media give UNICEF "mixed reviews"
  - "The stories that make the press are based around emergencies. Only rarely do development or advocacy issues achieve much coverage. UNICEF could try harder... Many NGOs are better than UNICEF at this". (Journalist, international publication)

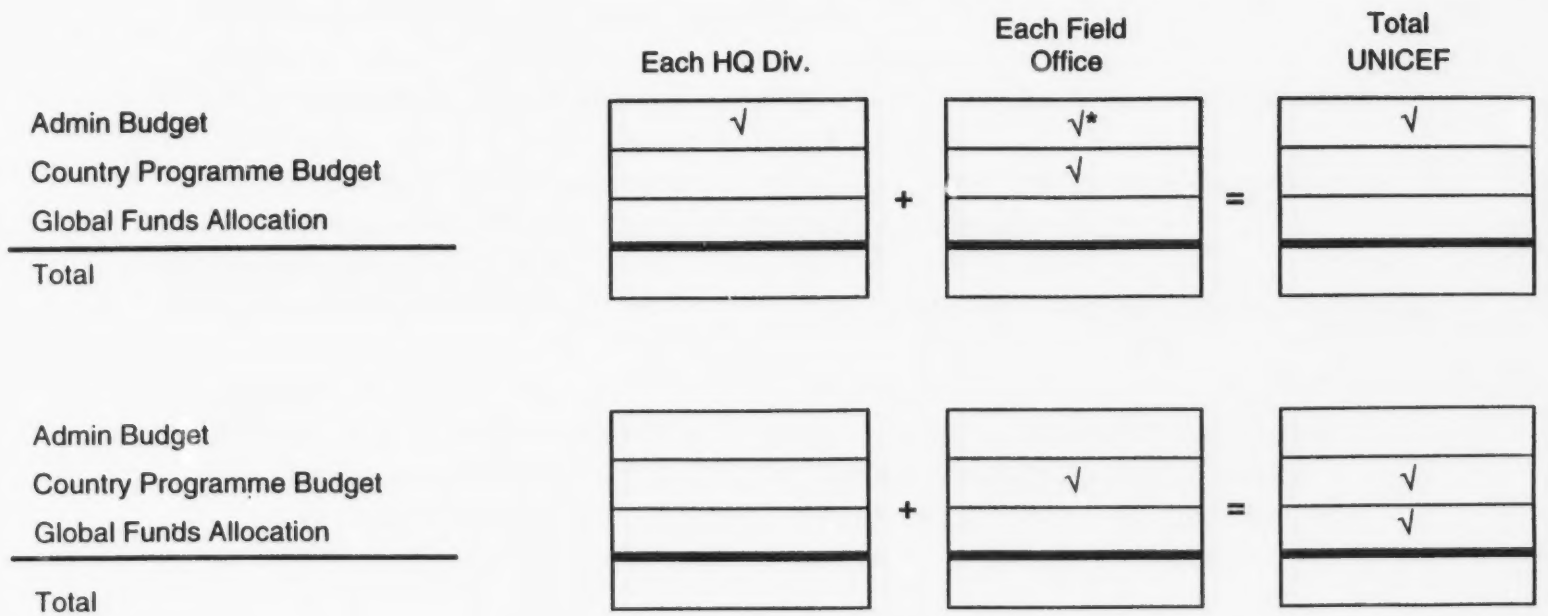
- UNICEF information units act in relative isolation, sometimes send inconsistent messages, are said to miss opportunities
  - Of about 80 publications in 1994, 35 are published outside DOI+DPA
  - Teamwork between NY and Geneva would be a "plus" but relations have been strained

- Measured against "best practices", UNICEF has major improvement opportunities. Needs:
  - Clearer communication mission and strategy
  - More analytical approach to allocation of funds
  - Measurement system to evaluate effectiveness
  - Organization that permits improved integration and consistency of messages
  - New harmony and reciprocal support among all units

INTEGRATE REPORTING FOR ALL EXPENDITURE TYPES TO PROVIDE FULL TRANSPARENCY – IN THE IDEAL CASE, EACH OF THESE BOXES WOULD HAVE A "√" MARK

FULL TRANSPARENCY APPROACH

(√ = Available Today)



* *Cannot be linked to programme figures due to different cost categories and timing*

UCFORE (1) RM004•8/94/NY.R

THE EXECUTIVE BOARD HAS CHALLENGED "TRANSPARENCY" IN FINANCIAL MANAGEMENT AND MANY STAFF MEMBERS THINK THEY ARE RIGHT

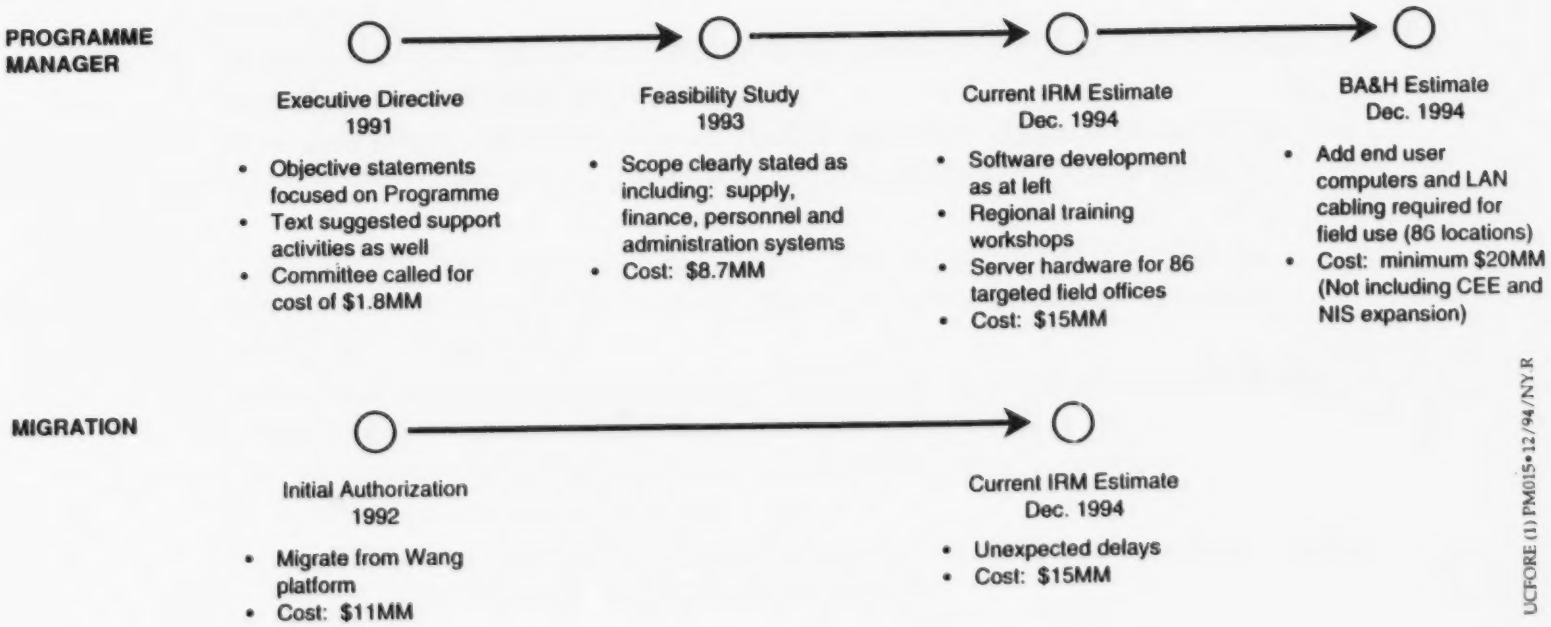
- Accounts management hopes to decentralize but cites problems of skills and accountability
  - Implies major training need/opportunity

- Major improvements possible in terms of methodology
  - Example: budgets are largely derived from historical spending and funds raised, not changes in demand, objectives or costs
  - The existence of two budgets clouds transparency, adds to costs
  - Global funds are also an obstacle to transparency
  - The means by which multiple budgets are presented to the Board also defies transparency objectives
  - Information is not available to support decision-making at moment needed
  - Procedure for documenting cash assistance to governments is defective

- Action steps recommended for these and other management improvements
  - Build field skills, integrate reporting, modify structure, upgrade systems, impose new discipline, increase transparency
  - Mobilize for major change, consider focused systems study by one of the major accounting firms

IRM ATTENTION IS FOCUSED ON TWO MAJOR INITIATIVES WHOSE SCOPE AND COST HAVE GREATLY EXPANDED

EVOLUTION OF PROJECT SCOPE AND COSTS


PROGRAMME MANAGER
Executive Directive 1991
• Objective statements focused on Programme
• Text suggested support activities as well
• Committee called for cost of $1.8MM
Feasibility Study 1993
• Scope clearly stated as including: supply, finance, personnel and administration systems
• Cost: $8.7MM
Current IRM Estimate Dec. 1994
• Software development as at left
• Regional training workshops
• Server hardware for 86 targeted field offices
• Cost: $15MM
BA&H Estimate Dec. 1994
• Add end user computers and LAN cabling required for field use (86 locations)
• Cost: minimum $20MM (Not including CEE and NIS expansion)
MIGRATION
Initial Authorization 1992
• Migrate from Wang platform
• Cost: $11MM
Current IRM Estimate Dec. 1994
• Unexpected delays
• Cost: $15MM

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INVESTMENTS IN INFORMATION SYSTEMS THROUGHOUT THE ORGANIZATION - 240 STAFF AND $30 MILLION IN 1994. "ROI" IS UNCERTAIN

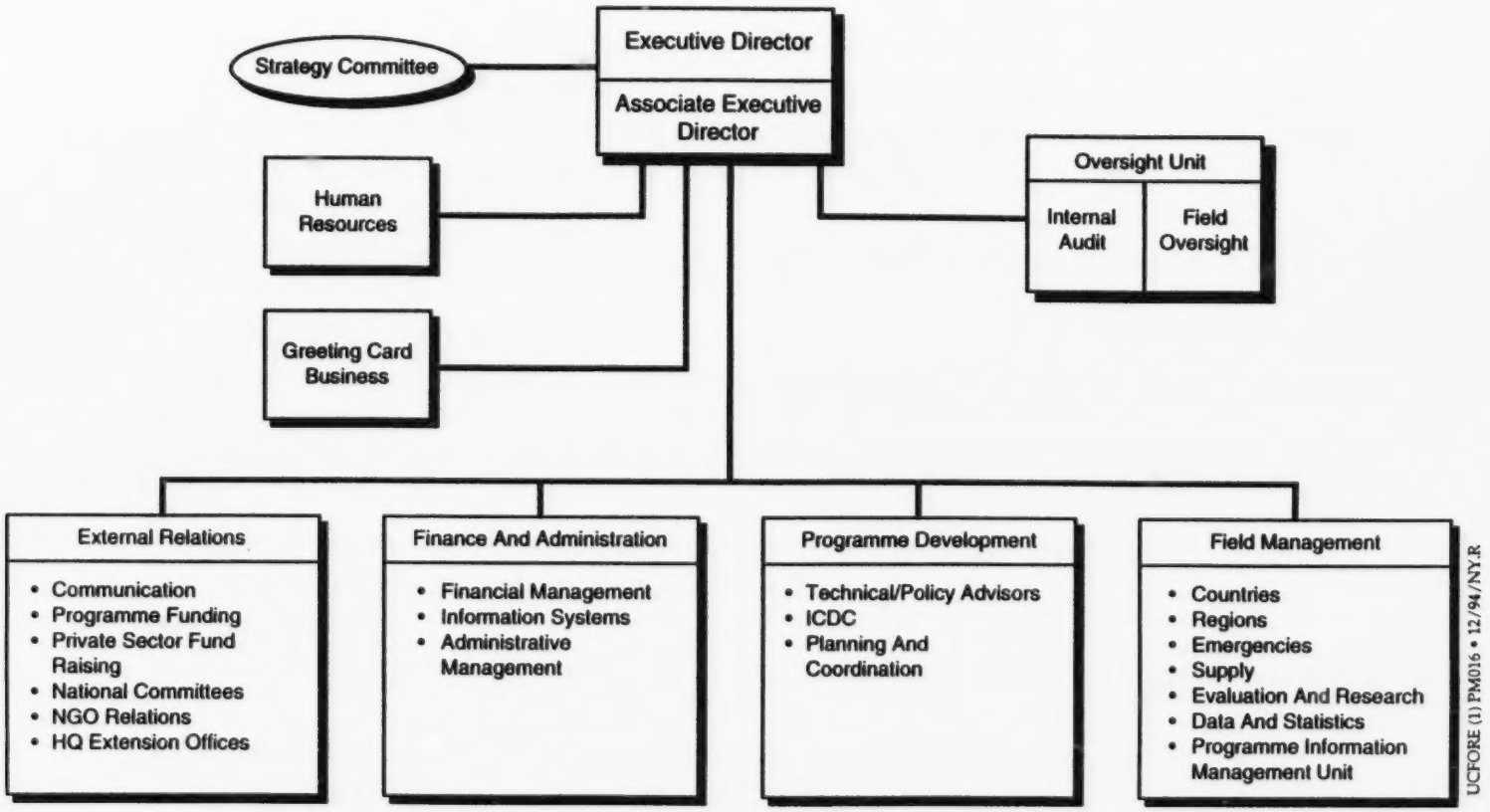
- IRM attention is focused on two major initiatives whose scope and cost have greatly expanded over time
  - Programme manager and Wang "migration"
  - Cost, scope, and development schedules have not been controlled effectively

- These two projects consume much of IRM capacity; other important systems initiatives are being neglected
  - Lack of resources, lack of strategic direction
  - Field-level systems development projects are emerging, challenging

- IRM needs more rigorous internal methodology for managing systems development activities better
  - Example: comprehensive management checkpoints with budget review, normal for big-budget projects

- Improving information systems calls for a comprehensive review of IRM mission and business processes
  - Does not mean stop work on Programme Manager
  - Does mean reassess Mission, Organization, Project management methodology, Programme manager (scope, cost, timing), Migration project (cost drivers and business risk), plus approach to servicing current systems

THE TARGETED ORGANIZATION



Note: This is "ideal" recommended structure. Assignment of responsibilities between Executive Director and Associate can be negotiated between them if particular circumstances require

STRUCTURE IS HOW WE GROUP RESOURCES AND ACCOUNTABILITIES TO RESPOND TO THE NEW STRATEGIC NEEDS AND POLICIES OF THE INSTITUTION

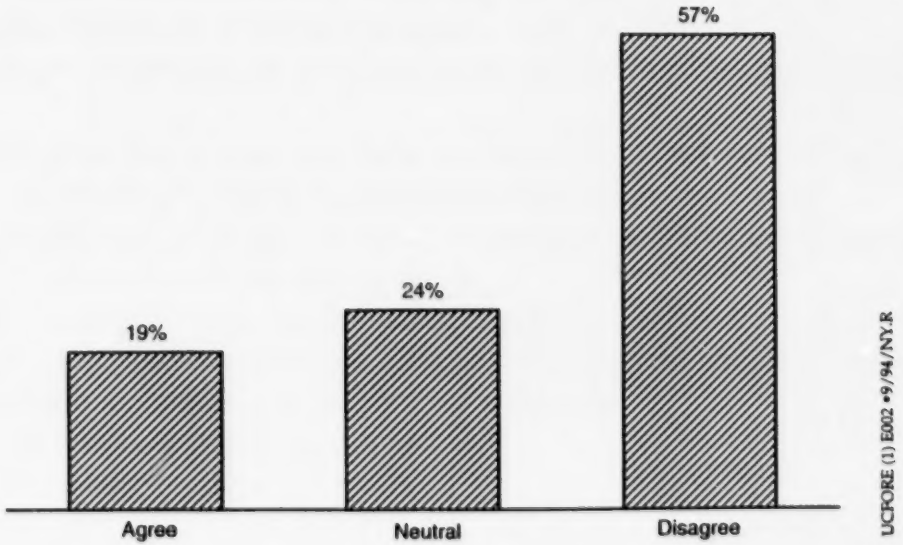
- There is never "only one way"
  - We present the preferred approach; special situations may require adapting alternatives
  - Not an abandonment of the change program if guiding priorities are respected

- This structure concept permits
  - Preserving visionary leadership at the top
  - Providing needed support to the Executive Director
  - Focusing intensified resources on finance, systems and administrative functions
  - Bringing new solutions to human resource issues
  - Bringing new focus and strength to GCO
  - Strengthening the "front-line" structure; exploiting the important relationship between Emergency, Supply and Field Operations
  - Fortifying region office role, and other benefits cited in the final report

- At the core of the concept is the new role of the Associate Executive Director
  - Close team partner of Executive Director
  - Ensures highly professional administration standards
  - Presides over the operational change process long-term

STAFF AGREE WITH THE EXECUTIVE BOARD – ACCOUNTABILITY IS A MAJOR CONCERN AT UNICEF

"UNICEF stresses personal accountability. If things go well or poorly, it is always clear who merits praise or rebuke"



Source: Attitude and Opinion Survey

ACCOUNTABILITY IS MORE THAN A MERE TRANSACTION; IT IS A MANAGEMENT CULTURE

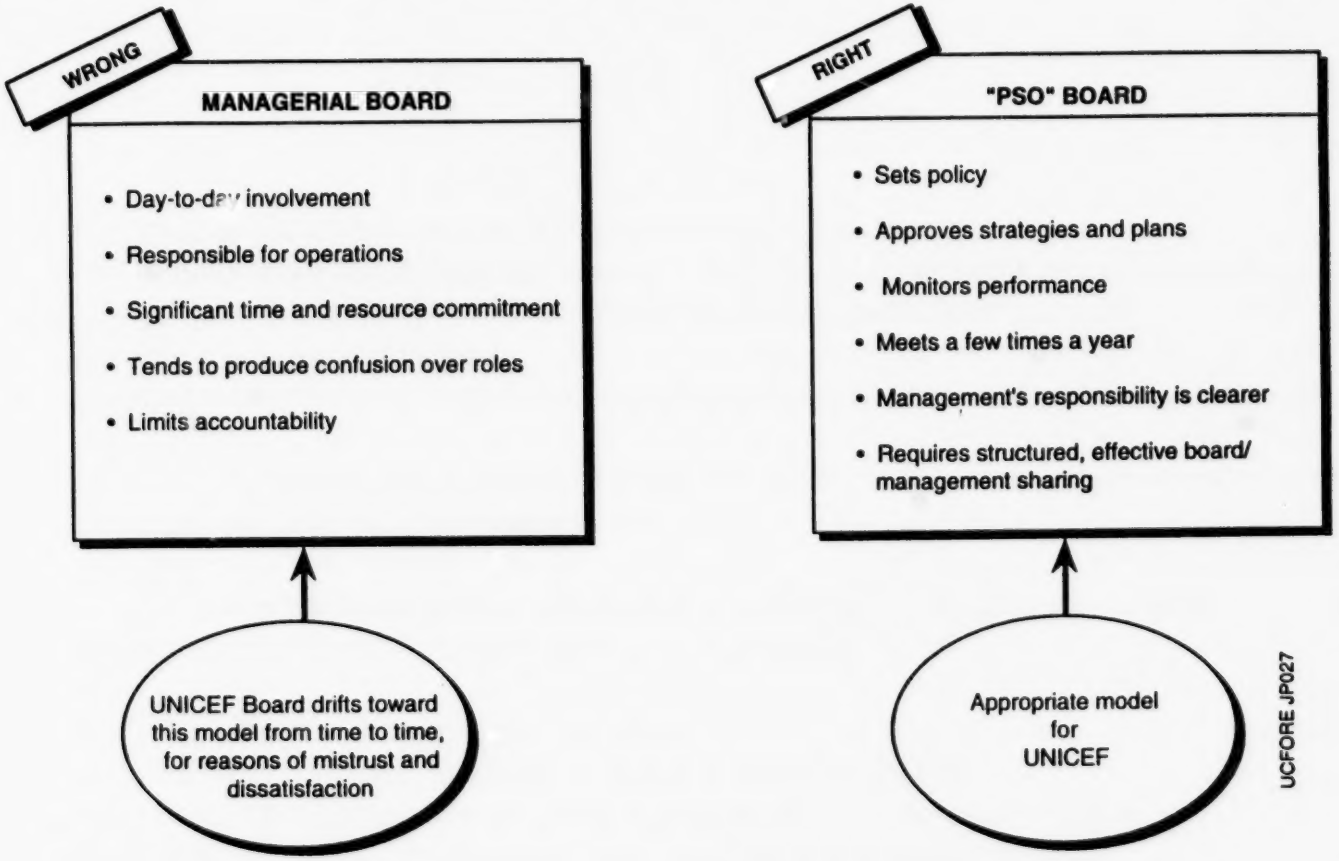
- The concept works when
  - There is genuine empowerment and delegation of authority
  - These ground rules are the "style of the house" starting at the very top
  - Each staff member knows what he/she is accountable for
  - Merit system supports these objectives

- At the UNICEF of today, it often doesn't work that way
  - Employees themselves are demanding a more accountability-driven culture

- Cost effectiveness is a comparable issue
  - Many examples: travel spending, cash assistance, use of sub-offices, workshops, etc.

- Creating a culture which values accountability and cost effectiveness can only start from the very top of the organization
  - Senior leadership and understanding are only the beginning. Training, management and control are needed to emplant accountability into the mind-set
  - Experience in other institutions demonstrates it can be done

THE EXECUTIVE BOARD THEORETICALLY COULD BE EITHER OF TWO KINDS OF BOARDS: A MANAGERIAL BOARD OR A "PSO" BOARD (POLICY, STRATEGY AND OVERSIGHT)


WRONG
MANAGERIAL BOARD
• Day-to-day involvement
• Responsible for operations
• Significant time and resource commitment
• Tends to produce confusion over roles
• Limits accountability
UNICEF Board drifts toward this model from time to time, for reasons of mistrust and dissatisfaction
RIGHT
"PSO" BOARD
• Sets policy
• Approves strategies and plans
• Monitors performance
• Meets a few times a year
• Management's responsibility is clearer
• Requires structured, effective board/ management sharing
Appropriate model for UNICEF
UCFORE JP027

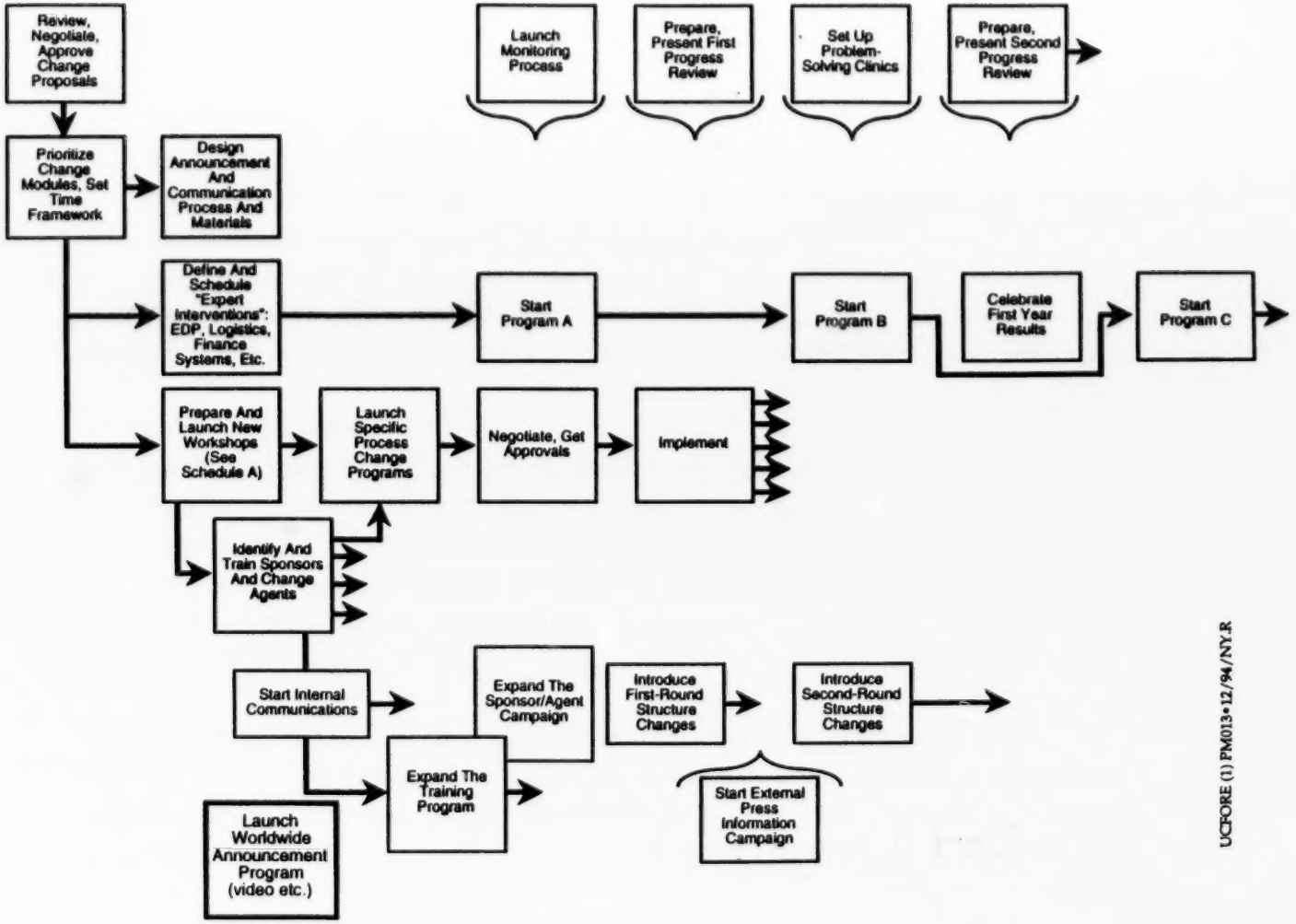
A TIME OF SELF-RENEWAL IS ALSO A GOOD TIME TO RESTORE PRODUCTIVE COLLABORATION AND HARMONY BETWEEN BOARD AND SECRETARIAT

- In the past, unusual hostilities between Board and secretariat have sometimes clouded judgments and confused operating personnel
  - No insinuation that tension is bad. Constructive tension exists in all healthy organizations. But in UNICEF the tension has gone far beyond that

- These changes should occur
  - Board should govern, not manage
  - Secretariat must be guided by a robust and meaningful strategic plan
  - Executive Board and Executive Director must collaborate closely in ensuring effective governance and management
  - Dialogue should become more harmonious, simpler, more efficient and more focused on key issues

- Management of the meeting agenda is the "lever" that focuses the Executive Board on the most important UNICEF issues
  - Board time is a very limited resource
  - Best boards plan agenda on an annual cycle
  - Strategic plan is key instrument for Board-secretariat dialogue. (No such single document in use today)

ILLUSTRATIVE LAUNCH PLAN


Review, Negotiate, Approve Change Proposals
Launch Monitoring Process
Prepare, Present First Progress Review
Set Up Problem-Solving Clinics
Prepare, Present Second Progress Review
Prioritize Change Modules, Set Time Framework
Design Announcement And Communication Process And Materials
Define And Schedule "Expert Interventions": EDP, Logistics, Finance Systems, Etc.
Start Program A
Start Program B
Celebrate First Year Results
Start Program C
Prepare And Launch New Workshops (See Schedule A)
Launch Specific Process Change Programs
Negotiate, Get Approvals
Implement
Identify And Train Sponsors And Change Agents
Start Internal Communications
Expand The Sponsor/Agent Campaign
Introduce First-Round Structure Changes
Introduce Second-Round Structure Changes
Expand The Training Program
Start External Press Information Campaign
Launch Worldwide Announcement Program (video etc.)

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THE KEY ISSUES TO BE ADDRESSED IN THE IMPLEMENTATION PROCESS

- What needs to be done well:
  - Prioritization - deciding sequence for changes
  - Organization - plotting out all the structural implications
  - Communicating as early as possible - "campaign" prepared in advance
  - Developing buy-in and "ownership"- sponsors and agents of change
  - Designing the critical action plans - major staff involvement
  - Active collaboration with managers and staff to produce change
  - Monitoring and perfecting new structures and processes
  - Periodic measurement of progress against goals and milestones

- Massive job. Whoever is leader of the change process will need wide support
  - Operates as a chain reaction:
    - Sponsorship at top
    - Cascades down through the organization
    - Deputies must be committed to change
    - And their direct reports
    - And theirs, and so on
    - Ultimately, sponsorship chain extends to all, at all levels

- Implementation workshops are example of broad participation envisaged. What they do:
  - Probe issues, propose priorities, lay out implementation steps, produce "buy-in", generate change agents

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FOR INFORMATION

CONFERENCE FACILITIES AT THE PREMISES OF UNICEF HEADQUARTERS

SUMMARY

The present report has been prepared in accordance with Executive Board decision 1994/R.3/8, adopted at the third regular session of 1994. In that decision, the Board requested the Executive Director to finalize the initial feasibility study of developing a conference facility at the premises of UNICEF headquarters (E/ICEF/1994/AB/L.15), taking into account its decision 1994/R.1/1, subparagraph (c) (E/ICEF/1994/13 (Part I)).

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I. INTRODUCTION

1. The present report has been prepared in accordance with Executive Board decision 1994/R.3/8, adopted at the third regular session of 1994. In that decision, the Board requested the Executive Director to finalize the initial feasibility study of developing a conference facility at the premises of UNICEF headquarters (E/ICEF/1994/AB/L.15), taking into account its decision 1994/R.1/1, subparagraph (c) (E/ICEF/1994/13 (Part I)).

2. The secretariat is aware that Executive Board members hold a wide range of divergent views on the subject of conference facilities. The present report provides the additional information and cost estimates requested by the Board.

II. CONFERENCE FACILITIES IN THE LABOUISSE HALL AT UNICEF HOUSE

Cost estimates

3. At the Executive Board's third regular session of 1994, many delegations raised questions about the cost of constructing conference facilities at UNICEF headquarters, whether at UNICEF House or at 633 Third Avenue, and many shared the concerns of the Advisory Committee on Administrative and Budgetary Questions that details about recurrent costs associated with the facility had not been presented. In addition, the preliminary feasibility study included only partial construction costs related to the facility. The secretariat has researched comprehensive cost estimates for the conference facility in the Labouisse Hall, including all one-time installation costs (construction, furnishings and equipment and design services) and estimated annual operating costs. One-time installation costs would be approximately $1.2 million and annual operating expenses are estimated at $279,000 (see annexes I and II for details). It should be noted that the one-time installation costs detailed in annex I are indicative estimates that are subject to change, pending completion of final design plans, should it be decided to move forward with this project. Of the $279,000 required for annual operating costs, $264,000 is already included in the administrative and programme support budget estimates for the 1996-1997 biennium to cover leasing costs at UNICEF House. However, this amount would be more than offset by the need to construct and furnish a larger central conference room at 633 Third Avenue, which would not be necessary if the Labouisse Hall were to be used in the same manner as it is currently being utilized. The current flexible design of this room, with moveable furniture, permits its use as a multi-purpose facility.

4. Building a larger conference room at 633 Third Avenue would result in an estimated net loss of some 2,500 square feet, which would reduce by about 17 the number of workstations and/or offices at that location, as currently planned. The estimated average cost of this space (including operating expenses) would be about $65,000 per year. Additional one-time costs for furniture and equipment would amount to approximately $100,000. It should be noted that although a large conference room could be built at 633 Third Avenue, because of the configuration of the floors in the building, the existing space is not very suitable for such a facility because of low ceiling height and numerous support

columns. Major structural changes, including the removal of two structural support columns, would add some $200,000 to the cost of the project. While the Labouisse Hall contains about 5,385 square feet of space, the conference room at 633 Third Avenue would be about half that size, or about 2,500 square feet.

Cost-sharing between UNICEF, the United Nations Development Programme and the United Nations Population Fund

5. If the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) were to share the conference room facilities, it is hoped that some appropriate financing arrangements could be made for them to share with UNICEF both the one-time installation costs and the annual recurrent costs. The secretariat has submitted to UNDP and UNFPA the cost estimates as detailed in annexes I and II. In a letter dated 16 January 1995, UNDP informed UNICEF that its position on the issue did not differ greatly from what had previously been explained to the Executive Board. UNDP advised UNICEF that it was currently considering three options for its headquarters office location: consolidation into the two buildings at One United Nations Plaza (DC1) and 304 East 45th Street; consolidation into DC1 and 633 Third Avenue; and consolidating totally at 633 Third Avenue. Should UNDP choose the first or second options, it would prefer using the Labouisse Hall as a conference facility, but if the third option were selected, 633 Third Avenue would be its preferred site for the facility. Until UNDP management decided on what course of action to take, its Executive Board would continue to meet in the Economic and Social Council Chamber.

6. UNDP also noted in its letter that the conference facilities at 633 Third Avenue would be smaller than those at UNICEF House (see para. 4 above), based on the assumption that the facility would be located on one of the "tower" floors of the building. The UNDP secretariat stated that should UNDP consolidate at 633 Third Avenue, some of the larger lower floors could possibly be considered for use by the Executive Boards since they should be able to accommodate adequately the necessary meeting facilities.

Size of the conference facilities

7. Many delegations said that as currently laid out, the Labouisse Hall at UNICEF House was too small to accommodate the participation of observer delegations and representatives of non-governmental organizations. The secretariat has investigated the feasibility of expanding the Labouisse Hall to allow additional seating in the conference area and has found that because of structural considerations, the expansion would not be possible. As currently designed, the total seating capacity of the room (see annex III), excluding conference service staff, would be 141. This total includes seats for 39 delegations at the conference table and one seat directly behind each of those seats for other members of the delegations seated at the table. In addition, there would be 63 other seats around the perimeter of the room.

Availability of interpreters and other conference services staff

8. The cost estimates found in annex II include a full-time post for a conference room coordinator (G-5), which exists already (at G-4 level).

However, the estimates do not include the cost of interpreters or other conference services staff normally provided by the Office of Conference and Support Services of the United Nations Secretariat. On 7 October 1994, Conference Services informed UNICEF that United Nations conference facilities would continue to be made available to UNICEF at United Nations Headquarters and that the required staff support could also be made available, as needed, to service facilities outside the premises of the United Nations. UNICEF has been informed by Conference Services that the design of the interpreters' booths for the proposed conference facility would meet the required standards.

Financing of conference facility

9. Since the establishment of a conference facility at the Labouisse Hall cannot be financed either entirely or partially from existing or future resources without diverting funds from UNICEF programmes, it is obligatory to identify the sources of funds for meeting both one-time and recurrent costs before this project can move ahead any further. In paragraph 27, annex I to its resolution 48/162 of 20 December 1993, the General Assembly encouraged the Executive Boards of the relevant funds and programmes "to make the necessary facilities available as soon as possible without prejudice to the resources of existing programmes and projects". Therefore, other sources of income and the possibility of donations-in-kind need to be explored and identified.

III. CONFERENCE FACILITIES AT UNITED NATIONS HEADQUARTERS

10. UNICEF and UNDP, in consultation with Conference Services, have explored several possibilities for adapting existing United Nations conference facilities for use by their respective Executive Boards. UNICEF asked Conference Services whether it would be possible to combine conference rooms 5 and 6, which would provide a large conference table as well as the necessary facilities for interpreters, conference officers and press officers, etc. Conference Services replied that it was not possible because of the time and cost entailed in removing and repositioning the partition between the two rooms prior to and following each session.

11. UNICEF and UNDP jointly requested the Buildings Management Service of the United Nations Secretariat to consider the possibility of modifying the Economic and Social Council Chamber by constructing a portable podium, which would create a floor-level podium similar to the one used at the World Summit for Children. In a memorandum dated 2 September 1994, the Buildings Management Service stated that it would cost $105,000 and require closing the conference room for 48 hours before and after each meeting to erect and dismantle the podium. The time required to prepare the construction documents, obtain bids and complete the installation would be approximately 30 weeks, 12 of which would be for the fabrication of custom-made furniture. In addition, the secretariats were informed that the set-up could not accommodate seating for advisers immediately behind the podium. In an October 1994 follow-up meeting with Conference Services, the Buildings Management Service and UNDP, UNICEF reiterated its suggestion to replicate the floor-level podium set-up used at the World Summit for Children, which would use existing tables and chairs and require only additional wiring for the podium and chairs for advisers. The Buildings

Management Service subsequently prepared a revised estimate of $90,000, with an estimated construction time of 30 weeks.

IV. CONCLUSIONS

12. As detailed in annex I, the cost of constructing, furnishing and equipping a conference facility in the Labouisse Hall at UNICEF House would be approximately $1.2 million, in addition to recurrent operating costs of $279,000 per year. At the present time, there is no source of funding for these costs. While the United Nations would provide conference services staff for Executive Board meetings held at the Labouisse Hall, its size would limit participation by observer delegations.

13. If the conference facility is not constructed, UNICEF will be able to use the conference facilities at the United Nations. If UNICEF, UNDP and the Buildings Management Service could reach an agreement on a minimal readjustment of the Economic and Social Council Chamber (see para. 10 above), it may suit better the requirements of UNDP, UNFPA and UNICEF, ensure the use of smaller conference rooms for informal consultations and meet the concerns of some delegations which have to attend other meetings at United Nations Headquarters.

ANNEX I

Budget estimates for one-time installation costs of conference facilities in the Labouisse Hall at UNICEF House

(Estimated at 5,385 square feet)

	Estimated cost (United States dollars)
I. CONSTRUCTION BUDGET	
Demolition	14 000
Acoustical panels	35 000
Lath and acoustics	28 233
Painting and wall covering	10 078
Flooring	22 848
Woodworking	127 000
Glazing	10 600
Stone flooring	24 000
Raised flooring - interpretation booths	7 184
Folding wall	16 500
Steel support for folding wall	7 200
Sprinkler	14 770
Heating, ventilating and air conditioning	35 080
Electric	77 390
Security allowance	5 000
Shoring allowance	17 000
General conditions	52 114
Contractor's fee	37 703
Subtotal, I	541 700
II. DESIGN FEES	44 000
III. FURNITURE	
208 seats (includes two drafting rooms)	135 000
Tables (main conference centre)	140 000
Tables for two drafting rooms	10 000
Subtotal, III	285 600
IV. EQUIPMENT AND CABLING	
Sound system	70 000
Interpretation booths system for six languages, plus one additional booth for sound engineer	60 000
Electronic voting/tally system	35 000
Audio/video distribution	35 000
Remote viewing from drafting rooms	50 000
Cabling and wiring	20 000
Subtotal, IV	270 000
Total, I-IV	1 141 300
V. CONTINGENCY (5 per cent)	57 000
GRAND TOTAL	1 198 300

ANNEX II

Conference facilities in the Labouisse Hall at UNICEF House: estimated annual recurrent costs

	United States dollars
Lease costs	
Fixed rent (5,385 rentable square feet X $32.50)	175 000 a/
Operating costs and electricity (5,385 rentable square feet X $8.00)	43 000 a/
Expendable conference room supplies	5 000
Staffing costs	
One full-time post of conference room coordinator	56 000 b/
Total	279 000

a/ It should be noted that these costs are currently included in the regular UNICEF budget estimates covering UNICEF House (see para. 4).

b/ Of this amount, $46,000 is currently included in the 1994-1995 administrative and programme support budget.

Figure

PROPOSED LAYOUT OF CONFERENCE FACILITY IN THE LABOUISSE HALL AT UNICEF HOUSE